

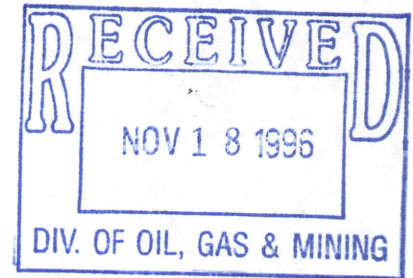
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

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November 15, 1996

Bob J. Shupe
#4 Orchard Way
Moab, UT 84532

RE: Application to assign ML 43377--Coal

Dear Mr. Shupe,

The School and Institutional Trust Lands Administration is in receipt of your application to assign the above numbered coal lease to Sunray Mineral Products (Dick Shumway). The lands within this lease include the abandoned Atlas Resources Dirty Devil open pit coal mine. The mined land was reclaimed by the Division of State Lands & Forestry several years ago. More recently, I observed that someone dug some small test pits into the slope of the reclaimed mine pit. No notification was given to the State regarding the opening of the test pits and the work is unauthorized.

I have not returned in the Factory Butte mine site in the past year to observe whether the unauthorized disturbances still exist. Nevertheless, the School and Institutional Trust Lands Administration holds Lessee responsible for all mining disturbances to the lands while the lease remains in effect. Prior to giving any further consideration to the assignment application the test pits must be filled in and regraded. Please advise me if, or when, the required reclamation work is completed.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: J. Cooper
B. Pritchett
W. Hedberg



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